

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2282-05  
Bill No.: Perfected HS for HCS for HB 981 and 665  
Subject: Children and Minors: Elementary and Secondary Education Department;  
Liability; Teachers; Employers; Labor and Industrial Relation Department;  
Workers Compensation; Office of Administration  
Type: Original  
Date: April 27, 2001

---

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Legal Expense	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0 to (Unknown)*</b>	<b>\$0 to (Unknown)*</b>	<b>\$0 to (Unknown)*</b>

**\*Could exceed (\$100,000) in any given fiscal year**

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Regarding the portion of the proposal that addresses immunity to school teachers from tort claims for reporting acts of violence in school, officials from the **Department of Elementary and Secondary Education (DESE)** assume no fiscal impact to DESE or local public school districts.

Officials from the **Department of Social Services** assume the proposal would result in no fiscal impact to the agencies.

In addressing the portions of the proposal dealing with lawsuits arising from violations of the federal Family and Medical Leave Act and discrimination resulting from an employee exercising rights under workers' compensation law, the following agencies responded:

Officials from the **Office of the Attorney General (AGO)** assume that their agency could handle any new cases, as a result of the proposed legislation, with existing resources. However, AGO states that the costs to the Legal Expense Fund are unknown.

Officials from the **Office of the State Courts Administrator (CTS)** assume that lawsuits filed as a result of the proposed legislation would be filed in state court, and there may be some increase in the number of cases filed. However, CTS has no way of estimating that increase at this time and do not anticipate that it would be substantial enough to require a budget increase in the courts.

Officials from the **Office of Administration - General Services/Risk Management (COA)** state that the proposed legislation may be in response to recent United States Supreme Court rulings. COA states that they have no history on such claims prior to the United States Supreme Court rulings and therefore cannot quantify a cost impact. The Office of the Attorney General would be the proper resource in regard to any litigation and litigation costs in this area.

Officials from the **Department of Conservation (MDC)** assume that the proposed legislation could have a fiscal impact on MDC funds because of the increased exposure to liability from lawsuits; however, the amount of impact is unknown.

Officials from the **Department of Transportation (DHT)** state that their agency has always complied with the Family and Medical Leave Act law, and, therefore, assume there will be no fiscal impact to their agency. Regarding the possibility of lawsuits for discrimination resulting from an employee exercising his or her rights under workers' compensation law, officials from DHT state there could be fiscal impact if their agency was sued; however, it is impossible to

ASSUMPTION (continued)

predict the amount of any judgements.

Officials from the **Office of Administration - Division of Personnel** and the **Department of Labor and Industrial Relations** assume the proposed legislation would have either no or minimal fiscal impact on their agencies.

**Oversight** assumes that the fiscal impact depends on the number and amount of judgments, against the state, resulting from lawsuits that may occur with passage of this proposal. Pursuant to this proposal, claims up to the limits established in section 537.610 RSMo can be sought. Regarding violations of the federal Family and Medical Leave Act, Section 537.610 RSMo states that the liability of the state and its public entities on claims within the scope of sections 537.600 to 537.650, shall not exceed two million dollars for all claims arising out of a single accident or occurrence and shall not exceed three hundred thousand dollars for any one person in a single accident. Regarding lawsuits resulting from an employee exercising his or her rights under workers' compensation law, section 537.610 exempts chapter 287 RSMo. Therefore, in effect, there is no limit on judgments resulting from this portion of the proposal. Oversight assumes any judgments against the state will be paid out of the Legal Expense Fund and have ranged those from zero judgements to unknown. Oversight assumes that any one judgment, in a fiscal year, against the state could exceed \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>LEGAL EXPENSE FUND</b>			
<u>Costs</u> - Judgements Against the State	\$0 to	\$0 to	\$0 to
Resulting from Potential Lawsuits	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON LEGAL EXPENSE FUND</b>	<u><b>\$0 to (Unknown)*</b></u>	<u><b>\$0 to (Unknown)*</b></u>	<u><b>\$0 to (Unknown)*</b></u>

**\*Could exceed (\$100,000) in any given  
fiscal year**

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill clarifies that school teachers are immune from tort claims for reporting acts of violence in school when this reporting is mandated by law and done so in conformity with established school board policies.

HSA 1 changes language in 160.261.6 from "violent acts or threats of violent acts" to "acts of school violence or threatened acts of school violence".

This bill subjects the state to lawsuits for violations of the federal Family and Medical Leave Act; it also subjects the state to lawsuits for discrimination resulting from an employee exercising his or her rights under workers' compensation law.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Office of State Courts Administrator  
Department of Social Services  
Office of the Attorney General  
Office of Administration  
    General Services/Risk Management  
    Division of Personnel  
Department of Labor and Industrial Relation  
Department of Conservation  
Department of Transportation



Jeanne Jarrett, CPA  
Director

April 27, 2001